

ORIGINAL

ORANGE GROVE WATER CO., INC.
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YUMA, AZ. 85365
928-726-8272



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Arizona Corporation Commission
Utilities Division
1200 W. Washington St.
Phoenix, Az 85007

2011 APR 27 P 2: 10

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

RE: Docket No: W-02237A-08-0455 Decision No: 71110 Dated 6/5/2009

TO WHOM IT MAY CONCERN:

Per ARS 40-252, Orange Grove Water Company, Inc. ("Orange Grove" or "Company") requests an amendment to Decision No. 71110. Decision No. 71110, approved by the Arizona Corporation Commission ("Commission") on June 5, 2009, ordered that Orange Grove install a minimum of 60,000 gallons of water storage capacity.

On February 22, 2011, the Company filed an application with the Commission requesting authorization to incur long term debt from the Water Infrastructure Finance Authority of Arizona in an amount of \$200,000 ("Financing Application"). Proceeds from the loan would be used to fund the construction of a new 100,000-gallon storage tank, plus other system improvements.

Decision No. 71110 also required the Company to file with Docket Control no later than December 31, 2010, a Certificate of Approval of Construction ("AOC") for the addition of storage tank. On November 9, 2010, the Company filed a request for extension of time for the AOC due date. Staff has concluded that the Company's request is reasonable and has recommended that the Commission extend the AOC due date until December 31, 2011. (Staff memorandum dated March 7, 2011). Commission action on the Company's time extension request is pending.

Staff has informed the Company that it cannot recommend approval of the Financing Application based on the Company's current rates and that a new rate application must be filed by the Company. It is unlikely an order authorizing a rate increase to pay for the debt could be issued any sooner than 8 to 9 months. This delay will certainly prevent the Company from completing the needed storage capacity addition by December 31, 2011. The Company therefore requests that the Commission reopen Docket No. W-02237A-08-0455 in order to amend Decision No. 71110 to allow for a reconsideration of the base rates approved to provide adequate debt service coverage for any financing obligation the Company may incur for the purpose of placing an appropriate storage facility in service as recommended by Staff during the prior rate case proceeding. (See Decision No. 71110 page 7 starting at line 15).

Sincerely,

Kathleen Day
Orange Grove Water Co., Inc.

Arizona Corporation Commission
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APR 27 2011

